

U.S. Department of Labor

Employment Standards Administration
Office of Labor-Management Standards
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June 15, 2007

Mr. Philip Orlando, Treasurer
Letter Carriers, Natl Asn, AFL-CIO
Branch 4800
1070 Calumet Road
Chesterton, IN 46304-3225

LM File Number 080-155

Case Number [REDACTED]

Dear Mr. Orlando:

This office has recently completed an audit of Letter Carriers Branch 4800 under the Compliance Audit Program (CAP) to determine your organization's compliance with the provisions of the Labor-Management Reporting and Disclosure Act of 1959 (LMRDA). As discussed during the exit interview with you and President Tim Callaway on June 12, 2007, the following problems were disclosed during the CAP. The matters listed below are not an exhaustive list of all possible problem areas since the audit conducted was limited in scope.

Recordkeeping Violations

Title II of the LMRDA establishes certain reporting and recordkeeping requirements. Section 206 requires, among other things, that labor organizations maintain adequate records for at least five years by which each receipt and disbursement of funds, as well as all account balances, can be verified, explained, and clarified. As a general rule, labor organizations must maintain all records used or received in the course of union business.

For disbursements, this includes not only original bills, invoices, receipts, vouchers, and applicable resolutions, but also documentation showing the nature of the union business requiring the disbursement, the goods or services received, and the identity of the recipient(s) of the goods or services. In most instances, this documentation requirement can be satisfied with a sufficiently descriptive expense receipt or invoice. If

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an expense receipt is not sufficiently descriptive, a union officer or employee should write a note on it providing the additional information. For money it receives, the labor organization must keep at least one record showing the date, amount, purpose, and source of that money. The labor organization must also retain bank records for all accounts.

The audit of Branch 4800's records revealed the following recordkeeping violation:


Conference and Travel-Related Expenses

Branch 4800 did not have adequate documentation to explain and verify reimbursement for expenses totaling \$1266.81 relating to conferences and travel, particularly for mileage and per diem. The Branch retained cancelled checks for travel reimbursement and the minutes would often mention a particular conference but there was no documentation outlining specific registration fees, names of conference attendees or travelers, dates of travel, and approved expenses such as the number of miles claimed and amount paid per mile, the number of days of per diem claimed and amount paid per day, and associated lodging charges.

Based on your assurance that Branch 4800 will retain adequate documentation in the future, OLMS will take no further enforcement action at this time regarding the above violation.

I want to extend my personal appreciation to Letter Carriers Branch 4800 for the cooperation and courtesy extended during this compliance audit. I strongly recommend that you make sure this letter and the compliance assistance materials provided to you are passed on to future officers. If we can provide any additional assistance, please do not hesitate to call.

Sincerely,


Investigator

cc: Tim Callaway, President